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### Analysis of Financial Performance: Case Study of Pt. X Employee Cooperative

*Análisis del desempeño financiero: Estudio de caso de la cooperativa de empleados PT X*

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#### ABSTRACT

This study aims to determine the level of health, growth and business prospects of the employees of the PT. X cooperative. The results of this study indicate that employees of general health level PT. X are in the category "moderately healthy" obtaining the average score of 68.00. Based on the result of a common size analysis of the balance sheet and operating result for the 2014-2018 period, PT. X did not experience significant growth and was really stable. Although based on the analysis of the segment report, the multipurpose loan business is the business with the most prospects for development.

**Keywords:** Growth, health, performance, prospects of business.

#### RESUMEN

Este estudio tiene como objetivo determinar el nivel de salud, crecimiento y perspectivas comerciales de los empleados de la cooperativa PT. X. Los resultados de este estudio indican que los trabajadores de nivel de salud general PT. X se encuentran en la categoría "moderadamente saludable" obteniendo la puntuación media de 68,00. Basado en el resultado de un análisis de tamaño común del balance general y resultado operativo para el período 2014-2018, PT. X no experimentó un crecimiento significativo y se mantuvo realmente estable. Si bien se basa en el análisis del informe de segmento, el negocio de préstamos multipropósito es el negocio que tiene más perspectivas de desarrollo.

**Palabras clave:** Crecimiento, perspectivas de negocio, rendimiento, salud.

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## INTRODUCTION

The scope of national development in terms of life aspects of both the nation and state which in this case is carried out by the community and the government, has the same development goals, namely to realize a just, prosperous society by creating jobs, increasing equity for the community, driving the pace economic growth and create national stability.

Based on the Deputy Regulation for the Supervision of the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia Number 06 / per / Dep.6 / IV (2016) Chapter 1 article 1 states that savings and loan cooperatives, hereinafter referred to as KSP are cooperatives whose business activities are only savings and loan. In conducting its business, it needs to be managed professionally in accordance with the principles of prudence and health of savings and loan cooperatives and savings and loan units so as to increase trust and provide maximum benefits to members and surrounding communities.

The healthy standards of cooperatives according to the regulations of the Deputy for the Supervision of the Ministry of Cooperatives and Small and Medium Enterprises Republic of Indonesia Number 06 / Per / Dep.6 / IV / 2016 Concerning Guidelines on Health Assessment of Cooperative Savings and Loans and Cooperative Savings and Loan Units are as follows:

- a. Healthy, if the assessment results obtained a total score of  $80.00 \leq x < 100$ ;
- b. Fairly healthy, if the assessment results obtained a total score of  $66.00 \leq x < 80.00$ ;
- c. In supervision, if the assessment results obtained a total score of  $51.00 \leq x < 66.00$ ;
- d. In special supervision, if the assessment results obtained a total score of  $0 < x < 51.00$

Measurement of the health level of cooperatives according to the Deputy Regulation for the Supervision of the Ministry of Cooperatives and Small and Medium Enterprises Number: 06 / Per / Dep.6 / IV / 2016 can be done on seven aspects including:

a. Capital Aspects, b. Earning Assets Quality Aspects, c. Management Aspect, d. Efficiency aspect, e. Liquidity aspects, f. Independence and Growth Aspects, g. The Cooperative Identity Aspect

In this paper, the discussion is on Capital Aspects only, Earning Assets Quality Aspects and Efficiency Aspects in measuring the health level of Cooperatives.

## Problem Formulation

Based on the background of the problems above, the problems that will be discussed and sought answers in this study are:

- a. What is the health level of PT. X from the overall capital aspect?
- b. What is the health level of PT. X, in terms of overall productive asset quality?
- c. What is the health level of PT.X's employee cooperatives in terms of overall efficiency?

## Research Objectives

In accordance with the problems faced, the objectives of this research are:

- a. To find out the health level of the cooperative employees of PT. X viewed from the overall capital aspect.
- b. To find out the health level of PT.X employees' cooperatives in terms of overall earning asset quality.
- c. To find out the health level of PT.X employees' cooperatives in terms of overall efficiency.

## **LITERATURE REVIEW**

### **Cooperative**

#### **Definition of cooperatives**

Private, BUMN, and cooperatives are the three economic forces that influence the development of the business world in Indonesia. The definition of cooperatives that the authors convey is the understanding of cooperatives in Indonesia (Gumilar & Sunarsi: 2020). According to (Widiyanti: 2012; Hernández et al.: 2009; Villalobos: 2015) cooperatives are born as business entities with the aim of advancing the economic interests of their members, and cooperatives are given an understanding as an organization with a social character because cooperatives always reveal their character which always tends to defend self, showing strong human characteristics and upholds justice and equality.

#### **Cooperative Purpose**

The purpose of cooperatives is explained in article 4 of Law no. 17/2012. According to the article, the aim of Indonesian cooperatives is: "Cooperatives aim at improving the welfare of members in particular and the community in general, as well as an inseparable part of the democratic and just national economic order".

#### **Functions and Role of Cooperatives**

The function of cooperatives, according to Law No. 12 of 1967, about the main points of Jo's cooperative. Law of the Republic of Indonesia Number: 17 of 2012 dated 29 October 2012 concerning cooperatives:

- 1) Tools for people's economic struggle to enhance people's welfare.
- 2) Democracy tools of the national economy.
- 3) As one of the arteries of the Indonesian economy.
- 4) Guidance tool for the people to strengthen the economic position of the Indonesian people and be united in managing the governance of the people's economy.

#### **Type of Cooperative**

Article 82 of Law No. 17 of 2012 states that each cooperative must include the type of cooperative in the articles of association. The types of cooperatives are based on the similarity of business activities and economic interests of members. The types of cooperatives consist of:

- 1) Consumer cooperative, which is a cooperative that organizes business services in the field of supplying goods needed by members and non-members.
- 2) Producer's cooperatives, namely cooperatives that carry out service business activities in the field of procurement of production facilities and production marketing produced by members to members to members and non-members.
- 3) Service cooperatives are cooperatives that carry out non-save service business activities that are needed by members and non-members.
- 4) Savings and loan cooperatives are cooperatives that run savings and loan businesses as the only business that serves members.

#### **Cooperative Financial Performance**

##### **Analysis of Cooperative Financial Performance**

Analysis of financial statements can be used to measure the development and financial performance of a company in the past as well as the present which can also be used to estimate the company's financial condition so that it is useful to know the weaknesses and opportunities that exist (Nufus & Awaluddin: 2019).

Financial performance can be assessed with several analytical tools. According to Subramanyan and Wild (2014), there are five important tools for financial analysis:

1) Comparative financial statement analysis, carried out by examining the balance sheet, income statement, or sequential cash flow statement from one period of the next period.

2) Analysis of common-size financial statements (common financial statement analysis), in this analysis, the balance sheet, total assets (or liabilities plus equity) are usually expressed as 100%. Then the items in this group are expressed as a percentage of the total concerned. In an income statement analysis, sales are often expressed as 100 percent, and other income statement items are expressed as a percentage of sales. Because the total items in the group are 100%, this analysis is competed to produce a common-size financial statement analysis.

3) Ratio analysis (ratio analysis), is one of the most popular and widely used financial analyzes. Ratio analysis can reveal important relationships and be the basis of comparison in finding conditions and trends that are difficult to detect to study each component in the form of ratios.

4) Cash flow analysis (cash flow analysis), mainly used as a tool to evaluate the source and use of funds.

5) Valuation is an important matter from various types of business analysis and financial statements. Valuations usually refer to the estimated intrinsic value of a company or its shares. The basis of valuation is the present value theory.

In this study the technique used in the analysis of financial statements is the analysis of financial ratios based on Regulation of the Deputy for Supervision of the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia Number 06 / Per / Dep.6 / IV / 2016 to determine the health level of cooperatives, common-size analysis to determine business growth and segment report analysis to determine the business prospects of the cooperative. Health assessment also influences cooperative ability and loyalty (World health organization: 2015)

## Capital

Based on Law Number 25 of (1992) article 41 paragraph 1, cooperative capital consists of own capital and loan capital. Own capital can come from principal savings, mandatory savings, reserve funds, and grants. While loan capital can come from members, other cooperatives and or their members. In addition to capital as referred to in article 41, cooperatives can also carry out capital fertilization that also comes from equity capital. Equity capital is a sum of money or goods valued in cash, which are invested by investors to increase and strengthen the capital structure of the KSP and USP in increasing their business activities (Eindrias: 2017; Tran & Phan: 2019, pp.146-150; Ahmad & Ahmad: 2019, pp. 746-778).

The assessment of capital aspects is intended to find out information about the capital adequacy of cooperatives in supporting their operational activities, as well as to determine the ability of cooperatives to absorb losses due to investment and impairment of assets.

Cooperative capital is valued based on three ratios:

a) The ratio of own capital to total assets

The assessment of the ratio of own capital to total assets is intended to measure the ability of KSP / USP Cooperative's own capital in supporting the funding of its total assets.

Measurement of the ratio is done by comparing the capital itself with total assets multiplied by 100%.

To obtain a ratio between its own capital to total assets is determined as follows:

- i. For the ratio between equity and total assets smaller or equal to 0%, the value of 0 is given.
- ii. For each increase in the ratio of 4% starting from 0% value plus 5 with a maximum value of 100.
- iii. For ratios greater than 60% to 100% for every 4% increase in value minus 5.
- iv. Value multiplied by a weight of 6% obtained capital scores.

### **The ratio of own capital to loans given at risk**

The assessment of the ratio of own capital to loans given at risk is intended to measure the ability of KSP / USP cooperative's own capital in covering the risk of granting loans that are not supported by adequate collateral. The measurement is done by comparing the capital itself with loans that are at risk multiplied by 100% (Ahmad & Ahmad: 2018, pp. 44-49; Pautov: 2020, pp.164-68).

Risk loans are funds lent by KSP / USP cooperatives to borrowers who do not have adequate collateral or reliable collateral for the loans. Risk loans are obtained from the total loans, given fewer principal savings plus mandatory savings.

To obtain a ratio of own capital to loans given at risk, set as follows:

- i. For the ratio of own capital to loans given a risk of less than or equal to 0%, given a value of 0.
- ii. For every 1% increase in the ratio starting from 0% value plus 1 with a maximum value of 100
- iii. The value multiplied by the weight of 6%, the capital score is obtained.

### **Capital adequacy ratio**

The assessment of own capital adequacy ratio is intended to measure the ability of the cooperative's own weighted capital KSP / USP in absorbing losses due to a decrease in its assets.

- i. The ratio of own capital adequacy is the ratio of Weighted Own Capital with Risk-Weighted Assets (RWA) multiplied by 100%.
- ii. Weighted capital is the number of times each component of KSP / USP cooperative capital contained in the balance sheet with the weight of risk recognition.
- iii. RWA is the sum of the times for each component of KSP and USP Cooperative assets contained in the balance sheet with the weight of risk recognition.
- iv. Calculating the RWA value is done by adding up the multiplication results of the nominal values of assets in the balance sheet with the risk weight of each component of the asset.
- v. Calculating the MTR value is done by adding up the multiplication results of the nominal liabilities in the balance sheet with the risk weights of each liability component.
- vi. The capital adequacy ratio alone can be calculated/obtained by comparing the weighted capital value with the RWA value multiplied by 100%.

### **Earning Assets Quality**

The assessment of the quality aspect of productive assets is intended to measure the wealth of KSP / USP cooperatives in bringing in income for these cooperatives. Rating of earning asset quality is based on 4 (four) ratios, namely:

- 1) The ratio of the volume of loans to members to the volume of loans given;
- 2) The ratio of problem loans to loans;
- 3) The ratio of risk reserves to non-performing loans; and
- 4) The ratio of risky loans to loans.
- 5) The ratio of member loans to the volume of loans granted

This ratio assessment is intended to measure the ability of KSP / USP cooperatives in meeting all loans. The measurement of the ratio is done by comparing the volume of loans to members with the volume of loans multiplied by 100%.

The volume of loans to members is the number of loans given to members of the cooperative concerned. In contrast, the volume of loans granted is all loans given to members, prospective members and other cooperatives or their members.

### The ratio of problem loans to loans

The assessment of the ratio of problem loans to loans is intended to measure the magnitude of the risk of bad loans from all loans. Measurement of the ratio is done by comparing the non-performing loans with loans given multiplied by 100%.

Non-performing loans are loans that consist of substandard loans, doubtful loans and bad loans. Whereas the loan given is the loaned fund and the fund is still in the hands of the borrower or the remainder of the principal loan has not been returned by the borrower. To obtain the risks of non-performing loans to loans, set as follows:

a) Calculates the estimated amount of non-performing loan (RPM) risk as follows:

- (1) 50% of substandard loans (PKL)
- (2) 75% of loans given in doubt (PDR);
- (3) 100% of bad loans granted (PM)

b) The sum is divided by the loan disbursed

$$\text{RPM} = 50\% \times \text{PKL} + 75\% \times \text{PDR} + (100\% \times \text{PM})$$

Loans provided

### Rating calculation

a) For a ratio of 45% or more given a value of 0

b) For each reduction in the ratio of 1% and 45% the value is added by 2, with a maximum value of 100; and

c) The value multiplied by a weight of 5% is obtained by the rating score

3) The ratio of risk reserves to non-performing loans

The assessment of the risk reserve ratio to non-performing loans is intended to measure the quality of risk reserves to cover the risk of loss due to bad loans or not collectible. Measurement of the ratio The measurement is carried out by comparing the risk reserves with non-performing loans multiplied by 100%.

The risk reserve ratio to the risk of non-performing loans is calculated as follows:

a) For a ratio of 9%, it means that there is no write-off reserve rated 0

b) For every 1% increase starting from 0% value plus one up to a maximum of 100, and

c) The value multiplied by a weight of 5% is obtained by the rating score.

4) The ratio of risky loans to loans

The assessment of the ratio of risk to loan loans is intended to measure the size of loans that are not supported by adequate collateral of all loans provided. Measurement of this ratio The measurement is done by comparing the risk loans with loans given multiplied by 100%.

In this case, risky loans are funds lent by KSP / USP cooperatives to borrowers who do not have adequate collateral or reliable guarantees for the loans provided. Whereas the loan provided is the loaned fund and the fund is still in the hands of the borrower or the remainder of the principal loan has not been returned by the borrower (Sunarsi & Baharuddin: 2019; Maddinsyah et al.: 2020).

### Management

Cooperative management is a variety of activities carried out by cooperative managers in planning, organizing, directing and supervising all people who are part of it (Ahmad & Sahar: 2019, pp. 1540-1543; Triyoga: 2018). Management assessment is intended to determine the role of KSP / USP cooperative management in cooperative management, so that cooperative activities run smoothly. The management aspects are assessed from 5 components, namely general management, institutional management, capital

management, asset management and liquidity management (Krook: 2006, pp.303-327; Venkatesh: 2012, pp.157-f178).

The value calculation is based on the results of an assessment of the answers to the questions of management aspects of all components with the composition of the questions as follows (detailed list of questions is presented in appendix 1)

- 1) General management
- 2) Institutional Management
- 3) Capital management
- 4) Liquidity Management

## Efficiency

Efficiency assessment will illustrate how much KSP / USP cooperatives are able to control operational expenses, so the smaller the operational costs are, the better the efficiency of the cooperatives. Efficiency assessment is based on three ratios:

- 1) The ratio of member operating expenses to gross participation

The assessment of the ratio of member operating expenses to gross participation is intended to determine the magnitude of member operating expenses incurred by KSP / USP cooperatives in obtaining gross participation. The measurement is done by comparing the operating expenses of members with gross participation multiplied by 100%.

In this case, the operational costs of members are all costs incurred in carrying out cooperative business activities consisting of principal expenses, operating expenses and operating expenses. In contrast, gross participation is the amount of revenue obtained from member participation in the cooperative financial services business in a certain period of time before deducting the principal expense.

a) For ratios equal to or greater than 100% given a value of 0 and for a ratio between 95% to less than 100% given a value of 50, then each reduction in the ratio of 5% is added with 25 up to a maximum value of 100; and

- b) The value multiplied by a weight of 4% is obtained by the rating score.

- 2) The ratio of operating expenses to gross SHU

The assessment of the ratio of operating expenses to gross SHU is intended to determine the amount of effort spent by KSP / USP cooperatives in obtaining gross SHU. Measurement of this ratio is done by comparing the operating expenses with gross SHU multiplied by 100%.

In this case, the operating expenses are costs incurred in business activities in obtaining income for the cooperative. Whereas gross SHU is cooperative income

obtained in the fiscal year minus depreciation costs and other obligations not including tax in the fiscal year in question or in other words the gross SHU is the SHU before income and other costs.

The ratio of operating expenses to gross SHU is determined as follows:

a) For ratios of more than 80%, a value of 25 is given and for each reduction of the ratio of 20% the value is added with 25 up to a maximum value of 100;

- b) The value multiplied by a weight of 4% is obtained by the rating score

- 3) Service efficiency ratio

Service efficiency ratio evaluation is intended to determine the number of employee costs incurred by KSP / USP cooperatives in carrying out savings and loan activities. Measurement

This is done by comparing employee costs to loan volume multiplied by 100%.

In this case, employee costs are costs incurred by the cooperative to pay employees. In contrast, the volume of loans is the entire loan provided by the cooperative to members, prospective members, and other cooperatives/members.

Service efficiency ratio calculation is calculated by comparing employee costs with loan volume, which is determined as follows:

- a) For ratios of more than 15% given a value of 0 and for ratios of 10% to 15% given a value of 50, then each reduction in the ratio of 1% value plus five up to a maximum value of 100
- b) The value multiplied by a weight of 2% is obtained by the rating score

### **Liquidity**

Assessment of Liquidity aspects is the ability of KSP / USP cooperatives in meeting their short-term obligations. An assessment of the aspects of cooperative liquidity is carried out on two ratios:

- 1) The ratio of cash and banks to current liabilities
- 2) The ratio of loans given to funds received

### **Independence and Growth**

An assessment of independence and growth illustrates the quality of the assets it has in generating profits. The assessment of independence and growth is based on three ratios:

- 1) Asset profitability ratio
- 2) Own Capital Profitability
- 3) Independence of service operations

### **Cooperative Identity**

The assessment of aspects of cooperative identity is intended to measure the success of cooperatives in achieving their goals of promoting the members' economy. The aspects of cooperative identity assessment use two ratios:

- 1) Gross participation ratio
- 2) Members' economic promotion ratio

## **METHODS**

Reviewing the problem studied is the assessment of the financial performance of PT.X Indonesia's Cooperative employees for five years, then the method used in this study is a quantitative descriptive method, where the method is divided into descriptive methods and quantitative methods so that by describing the discussion more related to the formula derived from financial statements (Nguyen & Vu: 2019, pp.89-97).

According to Sugiyono (2010), Descriptive Method is a method used to analyze data by describing or describing data that has been collected as it is without intending to make generally accepted conclusions or generalizations.

According to Sugiyono (2010) Quantitative method is a research method by obtaining data in the form of numbers. It can be said that the quantitative method is the method of analysis by calculating the data that is proof of the problem. From this research, it is expected to be able to provide a picture through calculations from the data obtained regarding the level of health, growth and business prospects in the cooperative business unit of PT.X employees (Nguyen: 2018, pp.117-127).

### **Definition of Variable Operations**

#### **Capital**

The evaluation of capital aspects is intended to find out information about the capital adequacy of cooperatives in supporting their operational activities. In addition, this aspect evaluation can also be used to determine the ability of cooperatives to absorb losses due to investment and impairment in assets.

Cooperative capital is valued based on three ratios:

1) The ratio of own capital to total assets

The assessment of the ratio of own capital to total assets is intended to measure the ability of KSP / USP Cooperative's own capital in supporting the funding of its total assets. The ratio of own capital to total assets is calculated by the formula:

$$(\text{Owner's equity} : \text{total assets}) \times 100\%$$

2) The ratio of own capital to loans given at risk

The assessment of the ratio of own capital to loans given at risk is intended to measure the ability of KSP / USP cooperative's own capital in covering the risk of granting loans that are not supported by adequate collateral. The ratio of own capital to loans given at risk is calculated by the formula:

$$(\text{Owner's equity} : \text{loans given at risk}) \times 100\%$$

3) Capital adequacy ratio

The assessment of own capital adequacy ratio is intended to measure the ability of the cooperative's own weighted capital KSP / USP in absorbing losses due to a decrease in assets

it has. The capital adequacy ratio itself is calculated by the formula:

$$(\text{Weighted own capital} : \text{ATMR}) \times 100\%$$

### Earning Assets Quality

The assessment of the quality aspect of productive assets is intended to measure the wealth of KSP / USP cooperatives in bringing in income for these cooperatives. The quality aspects of earning assets are assessed through 4 ratios, namely:

1) The ratio of member loans to the volume of loans granted

This ratio assessment is intended to measure the ability of KSP / USP cooperatives in meeting all loans.

This ratio is calculated by the formula:

$$(\text{Loan volume to members} : \text{Loan Volume}) \times 100\%$$

2) The ratio of problem loans to loans

The assessment of the ratio of problem loans to loans is intended to measure the magnitude of the risk of bad loans from all loans. The ratio is calculated by the formula:

$$(\text{Non-performing loans} : \text{Loans}) \times 100\%$$

3) The ratio of risk reserves to non-performing loans

The assessment of the risk reserve ratio to non-performing loans is intended to measure the quality of risk reserves to cover the risk of loss due to bad loans or not collectible. The ratio is calculated by the formula:

$$(\text{Reserve risk} : \text{Non-performing loans}) \times 100\%$$

4) The ratio of risk loans to loans given The assessment of the ratio of risk loans to loans is intended to measure the size of loans that are not supported by adequate collateral of all loans. The ratio is calculated by the formula:

$$(\text{Risky loans} : \text{Loans}) \times 100\%$$

### Efficiency

Efficiency assessment will illustrate how much the KSP / USP cooperative's ability to control operational expenses, so the smaller the operational costs outlay means the better the efficiency of the cooperative. Efficiency assessment is based on three ratios:

1) The ratio of member operating expenses to gross participation

The assessment of the ratio of member operating expenses to gross participation is intended to determine the magnitude of member operating expenses incurred by KSP / USP cooperatives in obtaining gross participation. The ratio is calculated by the formula:

$$(\text{Member Operating Expenses} : \text{Gross participation}) \times 100\%$$

2) The ratio of operating expenses to gross SHU

The assessment of the ratio of operating expenses to gross SHU is intended to determine the amount of effort spent by KSP / USP cooperatives in obtaining gross SHU. The ratio is calculated by the formula:

(operating expenses: Dirty SHU) x 100%.

### 3) Service efficiency ratio

Service efficiency ratio evaluation is intended to know the number of employee costs incurred by KSP / USP cooperatives in carrying out savings and loan activities. The ratio is calculated by the formula:

(Employee costs: loan Volume). x 100%

## Sources and methods of data collection

### Data source

Source of data used in this study are primary data and secondary data, where primary data are in the form of interviews and secondary data in the form of financial statements consisting of balance sheets, profit and loss and cash flow.

According to Istijanto as quoted by Danang Sunyoto (2011), primary data is original data collected by researchers to answer specific research problems while secondary data is data sourced from records that exist in companies and other sources, namely by conducting library research by studying books that are related to the object of research.

### Data Collection Methods

The data collection technique used in this study is to use the Documentation Method, namely collecting data by clarifying data, recording data on existing documents and studying various pieces of literature related to research.

### Data Analysis Techniques

a. Financial ratio analysis based on the Ministry of Cooperatives and SMEs Deputy Regulation No. 06 / Per / Dep.6 / IV / 2016 to find out the health level of cooperatives

1). Aspects, components, and assessments of the health level of KSP / USP cooperatives

Cooperative health level assessment is based on the Republic of Indonesia Ministry of Cooperatives and SMEs Deputy Minister for Regulation No. 06 / Per / Dep.6 / IV / 2016 through seven aspects of assessment, namely aspects of Capital, Quality Aspects, Productive Assets, Management Aspects, Aspects of Efficiency, Aspects of Liquidity, Aspects of Independence and Growth as well as Aspects of Cooperative Identity with details of the assessment aspects cooperative health is given weight according to the magnitude of the effect on cooperative health (Sunarsi: 2019, pp.113-122). Aspect assessment is carried out using the values stated in numbers from 0 to 100. The weight of the assessment of these aspects and components is as follows:

No	How musty rated	Component	Weight assessment	
1	Capital			15
	a. Own Capital Ratio To Total Assets (Owner's equity: total assets) x 100%		6	
	b. Own Capital Ratio to loans given at risk (Owner's equity: loans given at risk) x 100%		6	
	c. Self Capital Adequacy Ratio (Weighted own capital : ATMR) x 100%			
2	Quality of productive assets			25

	a. Loan Volume Ratio to the member to loan volume is given : (Loan volume to members: Loan Volume) x 100% Non-performing Loan Risk Ratio to Loans (Non-performing loans: Loans) x 100%	10	
	b.. The ratio of Risk Reserves to Mortgage Loans (Reserve risk: Non-performing loans) x 100% Note: Risk reserves are risk objective reserves + allowance for decreasing loans	5	
	c. The ratio of risky loans to loans Loans		
	(Reserve risk : Non-performing loans) x100% Note: Risk reserve is the purpose of risk + allowance for write off loans		
	d. The ratio of risky loans to loans (Risky loans: Loans) x 100%	5	
3	Efficiency		10
	a. The ratio of member operating expenses to gross participation (Operating Expenses Member gross: participation) x 100% Note: Member operating expenses are the main expenses plus the operating expenses for the members + operating expenses. For cooperative USPs, the burden of cooperatives is calculated proportionally.	4	
	b. The ratio of operating expenses to gross SHU of operating expenses (Risky loans: Loans) x 100%		
	c. Service Efficiency Ratio (Employee costs: Loan Volume) x 100%	4	
	d. Member Economic Promotion Ratio (PEA) PEA = (Basic Savings + Mandatory Reserves) x 100% PEA = MEPPP + SHU Members Section	3	
	Sum		100

**Table 1.** Aspects, components and assessments of the soundness of savings and loan cooperatives

#### a. Establishment of Cooperative Health

Based on the results of the calculation of the assessment of the seven components obtained overall score. The intended score is used to determine the predicate level of health of KSP and USP cooperatives, which is divided into four categories, namely:

- 1) Healthy
- 2) Quite healthy
- 3) Under supervision
- 4) Under special supervision

Determination of the level of the health status of KSP and USP are as follows:

Score	Predicate
$80,00 \leq X \leq 100$	Healthy
$66,00 \leq X < 80,00$	Healthy enough
$51,00 \leq X < 66,00$	Under supervision
$0 < X < 51$	In special care

Source: Deputy Regulation of the Republic of Indonesia Ministry of Cooperatives and SMEs No. 06 / Per / Dep.6 / IV / 2016

**Tabel 2.** Penetapan Predikat Tingkat Kesehatan KSP dan USP

The determination of cooperative health can also be reviewed from each aspect, namely by the following formula:

the score obtained  $\times$  100 maximum score

## RESULTS

### Analysis Results

#### Capital

Aspects and scores maximum	YEAR					
	2014	2015	2016	2017	2018	Rerata
1. Capital (15)						
a. Equity to Total Assets (6)	6	6	6	3	6	5,4
b. Equity to Loans is given at risk (6)	3	3	3	3	3,6	3,12
c. Capital Adequacy Ratio (3)	3	3	3	3	3	3
<b>Capital Aspect Score</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>9</b>	<b>12,6</b>	<b>11,52</b>

Table 3. Capital Aspect Scores for 2014-2018

Aspects	YEAR					Rerata
	2014	2015	2016	2017	2018	
1. Capital (15)						
Score obtained (a)	12	12	12	9	12,6	13,32
Maximum score (b)	15	15	15	15	15	15
a/b*100	80	80	80	60	84	76,8
Predicate	Healthy	Healthy	Healthy	In supervision	Healthy	Enough healthy

Table 4. Hasil perhitungan tingkat kesehatan aspek permodalan Tahun 2014-2018

#### Earning Assets Quality

Aspect	Year					Rerata
	2014	2015	2016	2017	2018	
<b>Quality of Productive Assets</b>						
a. Loan Volume Ratio to members to the volume of loans granted. (10 Loan Volume Ratio to members to the volume of loans granted. (10)	10	10	10	10	10	10
b. Troubled Loan Risk Ratio Against Loans (5) Troubled Loan Risk Ratio Against Loans (5)	5	4	4	5	5	4,6
c. Risk reserve ratio to loans problematic (5)	0	0	0	0	0	0
d. Loans to risk ratio loans granted (5)	1,25	1,25	1,25	1,25	1,25	1,25
<b>Skor aspek Kualitas Aktiva Produktif (25)</b>	<b>16,25</b>	<b>15,25</b>	<b>15,25</b>	<b>16,25</b>	<b>16,25</b>	<b>15,85</b>

Source: PT. X financial report for 2014-2018 (data has been processed)

Table 5. Quality Aspect Scores for Productive Assets Employee Cooperatives of PT. X, 2014-2018

Aspek	Year					
	2014	2015	2016	2017	2018	Rerata
<b>2. Asset Quality Productive</b>						
Scores obtained (a)	16,25	15,25	15,25	16,25	16,25	15,85
<b>Maximum score (b)</b>	25	25	25	25	25	26
a/b*100	65	61	61	65	65	60,96
Predicate	In supervision					

Source: PT. X financial report for 2014-2018 (data has been processed)

**Table 6.** results of the calculation of the soundness of the quality aspects of the productive assets of cooperative employees of PT. X 2014-2018

### Efficiency

Maximum aspects and scores	Year				
	2014	2015	2016	2017	2018
<b>3. Efficiency</b>					
a. The ratio of member operating expenses to participation gross (4)	2	2	2	2	2
b. Operating expense ratio against gross SHU (4)	1	1	1	1	1
c. Efficiency ratio service (2)	2	2	2	2	2
<b>Efficiency aspect scores</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>

Source: PT. X financial report for 2014-2018 (data has been processed)

**Tabel 7.** The score of Employee Cooperative Efficiency Aspects of PT. X of 2014-2018

### DISCUSSION

Aspect	TAHUN					Rerata
	2014	2015	2016	2017	2018	
<b>4. Efficiency</b>						
score obtained (a)	5	5	5	5	5	5
<b>Maximum score (b)</b>	10	10	10	10	10	10
a/b*100	50	50	50	50	50	50
Predicate	under supervision special					

**Table 8.** results of the calculation of the health level aspects of the efficiency of cooperative employees of PT. X of 2014-2018

## CONCLUSION

1. In terms of the capital aspects of PT.X Employee Cooperatives in 2014-2018, overall a score of 76.8. The score is in the category of  $66.00 \leq X < 80.00$ , so it gets a pretty healthy predicate.

2. In terms of the quality aspects of the productive assets of PT.X Employee Cooperatives in 2014-2018 overall obtained a score of 60.96. The score is in the category of  $51.00 \leq X < 66.00$ , so it gets a title in supervision.

3. In terms of the efficiency aspects of PT.X Employee Cooperative in 2014-2018 overall received a score of 50. The score is in category  $0 < X < 51$  so that it gets the title of special supervision.

4. In terms of capital, the management of PT. X can maintain and increase the amount of his own capital to fund assets, maintain and increase the Weighted Own Capital in absorbing losses due to the decrease in assets owned by adding cooperative members so that the amount of principal savings and mandatory savings will increase, increase SHU for the current year and so on, and minimize loans given at risk by calculating adequate collateral for loans.

5. In the aspect of the quality of productive assets, the management of PT. X can maintain and even increase the high savings and loan activities of its members, maintain a low level of problem loans, establish a risk reserve allocation fund to cover the risk of loss if bad loans occur or not collectible and reduce risk loans by calculating the collateral used in lending.

6. In terms of efficiency, management of PT. X is expected to reduce member operating expenses, reduce operating expenses so that the gross SHU obtained can be maximized and maintain a savings and loan business that is classified as good because it incurs low employee costs.

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